



General Assembly

**Substitute Bill No. 311**

February Session, 2008

\* SB00311INS\_\_031108\_\_ \*

**AN ACT CONCERNING WELLNESS HEALTH BENEFIT PROGRAMS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2008*) As used in sections 2 and 3  
2 of this act:

3 (1) "Qualified wellness program" means a wellness program that is  
4 certified by the Department of Public Health as provided in section 3  
5 of this act.

6 (2) "Small employer" has the same meaning as provided in section  
7 38a-564 of the 2008 supplement to the general statutes.

8 Sec. 2. (NEW) (*Effective July 1, 2008*) (a) There is established a tax  
9 credit program for small employers that offer a qualified wellness  
10 program to their employees. A small employer that elects to claim a  
11 tax credit pursuant to this section shall submit to the Commissioner of  
12 Revenue Services a copy of the certificate issued by the Commissioner  
13 of Public Health, as provided in section 3 of this act, a copy of such  
14 employer's qualified wellness program, proof of its premium  
15 contributions and any additional information the Commissioner of  
16 Revenue Services deems necessary, along with such employer's state  
17 tax return filing.

18 (b) For income years commencing on or after January 1, 2009, there

19 shall be allowed a credit against the tax imposed under chapters 208  
20 and 229 of the general statutes on a small employer's liability for either  
21 tax. Such credit shall be in an amount equal to fifty per cent of the cost  
22 of providing a qualified wellness program for such employer's  
23 employees during the taxable year.

24 (c) A small employer qualifying under this section that is a limited  
25 liability company, limited liability partnership, limited partnership or  
26 S corporation, as defined in section 12-284b of the general statutes,  
27 shall distribute a credit to its members, shareholders or partners and  
28 such members, shareholders or partners shall be eligible to use such  
29 credit against the tax imposed under chapter 229 of the general  
30 statutes. The amount of the credit a member, shareholder or partner is  
31 entitled to shall be equal to the tax credit as determined in subsection  
32 (b) of this section, multiplied by the percentage of the distributive  
33 income of the limited liability company, limited liability partnership,  
34 limited partnership or S corporation to which a member, shareholder  
35 or partner is entitled.

36 (d) In the event the credit provided by this section exceeds the state  
37 tax liability owed by a small employer qualified under this section,  
38 such employer shall be entitled to carry forward the amount of the  
39 unused credit to succeeding taxable years until such credit is fully  
40 taken. Each time such credit is carried forward to a succeeding taxable  
41 year, it shall be reduced by the amount that was used as a credit  
42 during the year immediately preceding. In no event shall a small  
43 employer be entitled to a carryback or refund of any such tax credit.

44 (e) The Commissioner of Revenue Services shall adopt regulations,  
45 in accordance with the provisions of chapter 54 of the general statutes,  
46 to carry out the requirements of this section.

47 (f) Not later than December 31, 2011, and not later than December  
48 thirty-first of each odd-numbered year thereafter, the Commissioner of  
49 Revenue Services shall report to the General Assembly, in accordance  
50 with the provisions of section 11-4a of the general statutes, the number

51 of taxpayers claiming and receiving the tax credit provided by this  
52 section during the preceding two calendar years, any reports of abuse  
53 of such credit, and other information the Commissioner of Revenue  
54 Services deems necessary concerning the use and effectiveness of such  
55 credit.

56       Sec. 3. (NEW) (*Effective July 1, 2008*) (a) The Commissioner of Public  
57 Health shall adopt regulations, in accordance with the provisions of  
58 chapter 54 of the general statutes, to establish (1) minimum standards  
59 for use by a small employer in establishing a wellness program to  
60 improve the health of its employees, and (2) criteria and a process for  
61 certification of a small employer's wellness program that meets such  
62 minimum standards as a qualified wellness program for the purposes  
63 of section 2 of this act.

64       (b) The minimum standards established under subsection (a) of this  
65 section shall include a requirement that a wellness program provide  
66 rewards or incentives, in compliance with the Health Insurance  
67 Portability Accountability Act of 1996, P.L. 104-191, for employee  
68 participation in a weight loss program, smoking cessation program or  
69 preventive health care. Such rewards or incentives may include, but  
70 are not limited to, full or partial reimbursement of the cost of  
71 participating in such programs. For the purpose of this subsection,  
72 "preventive health care" shall not include services or benefits intended  
73 to treat an existing illness, injury or condition.

74       (c) (1) A small employer may submit to the Commissioner of Public  
75 Health for certification, in accordance with subdivision (2) of  
76 subsection (a) of this section, a wellness program developed by such  
77 employer.

78       (2) The Commissioner of Public Health shall review each  
79 submission for certification and, based on the criteria established  
80 under this section, shall make a determination of whether to certify  
81 such submission as a qualified wellness program.

82 (3) If a wellness program is certified by the Commissioner of Public  
83 Health, said commissioner shall provide to the small employer a  
84 certificate that reflects such wellness program is a qualified wellness  
85 program for the purposes of this section.

86 Sec. 4. Section 38a-825 of the general statutes is repealed and the  
87 following is substituted in lieu thereof (*Effective January 1, 2009*):

88 (a) No insurance company doing business in this state, or attorney,  
89 producer or any other person shall pay or allow, or offer to pay or  
90 allow, as inducement to insurance, any rebate of premium payable on  
91 the policy, or any special favor or advantage in the dividends or other  
92 benefits to accrue thereon, or any valuable consideration or  
93 inducement not specified in the policy of insurance. No person shall  
94 receive or accept from any company, or attorney, producer or any  
95 other person, as inducement to insurance, any such rebate of premium  
96 payable on the policy, or any special favor or advantage in the  
97 dividends or other benefit to accrue thereon, or any valuable  
98 consideration or inducement not specified in the policy of insurance.  
99 No person shall be excused from testifying or from producing any  
100 books, papers, contracts, agreements or documents, at the trial of any  
101 other person charged with the violation of any provision of this section  
102 or of section 38a-446, on the ground that such testimony or evidence  
103 may tend to incriminate him, but no person shall be prosecuted for any  
104 act concerning which he is compelled to so testify or produce  
105 documentary or other evidence, except for perjury committed in so  
106 testifying.

107 (b) Notwithstanding subsection (a) of this section, an insurer, health  
108 care center, hospital and medical service corporation or other entity  
109 that delivers, issues for delivery, renews, amends or continues in this  
110 state any accident or health insurance policy shall not be prohibited  
111 from providing to a health insurance plan participant, enrollee or  
112 certificate holder, as part of an overall plan to promote exercise and  
113 wellness, full or partial reimbursement of membership dues paid by  
114 such plan participant, enrollee or certificate holder to a health or

115 athletic club, health spa or gym.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2008</i>	New section
Sec. 2	<i>July 1, 2008</i>	New section
Sec. 3	<i>July 1, 2008</i>	New section
Sec. 4	<i>January 1, 2009</i>	38a-825

**INS**      *Joint Favorable Subst.*